

Assessing Homebuyer Education for Native Americans in Tribal Areas

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Homebuyer education and counseling are critical to expanding the pool of mortgage-ready homebuyers and preparing Native Americans for sustainable homeownership in rural tribal areas; however, these areas historically have lacked access to financial and homebuyer education and housing counseling.

Under the Duty to Serve Plan since 2018, Freddie Mac has been working in partnership with well-established Native American housing intermediaries to develop and expand access to financial and homebuyer education to help increase the number of people in tribal areas who are mortgage-ready. To help gauge progress as well as the effectiveness of the curricula that we support, we have collaborated with our partners to track enrollment and to share insights, experiences, and ideas for how best to carry out our shared goals. We also read participants' responses to the surveys that are distributed at the end of classes to gauge how well we are reaching and supporting potential homebuyers. The vast majority of survey respondents found the education meaningful and beneficial. Still, some suggested improvements.

Working together with our partners, we have applied what we have learned to afford more Native Americans in tribal areas to receive financial and homebuyer education and to help our partners enhance the effectiveness of their education programs.

Homebuying and Homeownership on Tribal Lands

Homeownership rates in tribal areas are considerably lower than in surrounding communities and governance in these areas can make buying a home more complicated than in other areas, but demand for ownership has been growing. According to our partners, traditionally, many Native Americans in tribal areas have thought that homeownership is unobtainable; they often rely on the tribal housing authority to provide the household with a rental unit, and the wait time to receive a unit could be lengthy. However, this view is changing. Increasingly, tribes are highlighting the benefits of homeownership to their members. The coronavirus pandemic and related stay-at-home orders have underscored the pressing need to increase household formations and homeownership opportunities in tribal areas.

Providing access to financial and homebuyer education and housing counseling can help more Native Americans envision the possibility and benefits of homeownership and enable them to achieve it.

How Did Freddie Mac Support Homebuyer Education in Tribal Areas?

Freddie Mac took a multipronged approach to promoting homebuyer education for Native Americans in tribal areas, given the range and extent of needs identified through our industry outreach. We formed partnerships with seven non-profit organizations rooted in Indian Country and worked with them to design, deliver, and expand access to financial and homebuyer education and housing counseling. As part of this, we supported non-profits' capacity to provide a range of technical assistance to their tribal networks to reach more prospective homebuyers:

- Supported development and delivery of National American Indian Housing Council's (NAIHC's) Pathways Home: Building Native Communities curriculum. In conjunction, supported printing of 2,250 copies of NAIHC's *Pathways Home: A Native Guide to Homeownership* manual, which supports the curriculum. These were distributed to 45 organizations. Enabled the development of a credit-building module with Credit Builders Alliance; worked with NAIHC to incorporate it into the Pathways Home curriculum.
- Partnered with South Dakota Native Homeownership Coalition (SDNHC) to support the development of the [My Path to Home Journal](#), which assists prospective homebuyers along the path toward homeownership. Our partnership enabled SDNHC to conduct a train-the-trainer session and follow-up coaching and assistance for 15 professionals representing nine Native housing organizations, expanding the pool of qualified instructors.
- Collaborated with Enterprise Community Partners to assist in developing the "[Enhancing and Implementing Homeownership Programs](#)" curriculum, which highlights best practices for creating homebuyer-readiness programs and resources, to support housing organizations that work with tribes to create homeownership opportunities in Indian Country. Around 120 people from 52 organizations representing 100 tribes attended in-person training.
- Collaborated with Homeownership Education Resource Organization (HERO), a subsidiary of the South Dakota Housing Finance Agency, enabling HERO to extend its network of partnerships with organizations serving Native Americans residing on reservations from two to eight and to expand delivery of homebuyer education in their communities.
- Formed a partnership with the New Mexico Mortgage Finance Authority (NMMFA) to provide homebuyer education in tribal areas through a local non-profit. Our partnership provided NMMFA with additional capacity to conduct train-the-trainer sessions with local non-profit organizations, increasing the number of certified practitioners supporting homebuyer education in tribal areas.
- Redesigned and enhanced Freddie Mac's [Native American Homeownership Preparedness](#) website to make the curricula broadly available and provide access additional resources.

Our support resulted in 1,200 Native Americans receiving financial and homebuyer education and housing counseling from 2018 through third quarter 2020. From 2018 to 2019, participation jumped more than 300 percent. In 2020, activities had to be severely curtailed in response to the coronavirus pandemic. We have stayed in touch with our partners and discussed how we can continue to support them and their clients. With our encouragement, Enterprise revised its curriculum so that it could be delivered virtually. In compliance with stay-at-home orders, NMMFA stopped conducting courses; however, it is considering using Freddie Mac's on-line comprehensive financial management and homebuyer education curriculum, [CreditSmart® Homebuyer U](#), as an alternative until in-person classes can resume.

Beyond this support, we collaborated with First Nations Oweesta, a nationwide Native community development financial institution (CDFI) intermediary, to develop the "[Building Native Communities: Financial Empowerment For Teens & Young Adults](#)" curriculum for high-school students to help lay the foundation for younger generations to attain and sustain future homeownership. About 150 students at a high school in New Mexico participated in the initial program. The collaboration included certifying 34 trainers to offer financial education to young people outside of the participating school.

What Did Participants Say about Their Learning Experience?

Participants who completed financial and homebuyer education classes were offered surveys to provide feedback on their experiences. Nearly all respondents indicated through a rating system that they were very satisfied or satisfied with the training and strongly agreed or agreed that it was beneficial. Some respondents also replied to the open-ended questions, with the vast majority making positive and constructive comments.

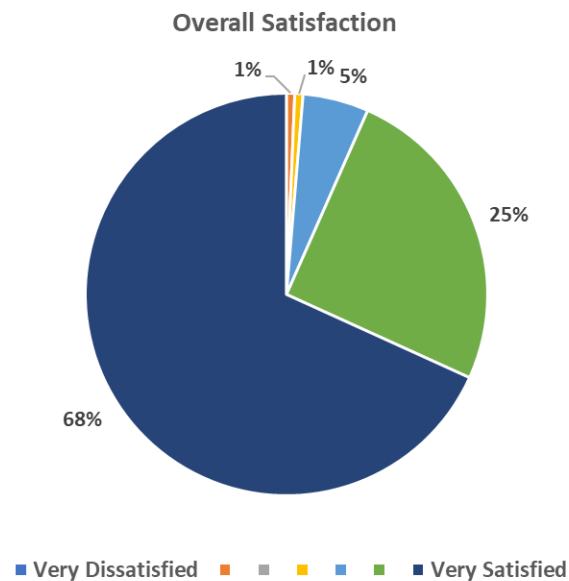
By the Numbers

The survey included four questions aimed at gauging participants' level of satisfaction with their training experience on a scale of 1 (low) to 7 (high).

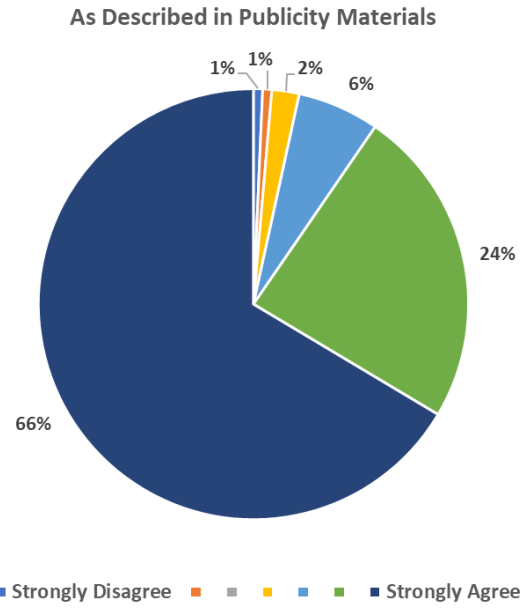
- Overall, how satisfied were you with the training?
- The training content was as described in publicity materials
- The information presented in the training was beneficial
- I have a better understanding of my finances or homeownership goals

The charts below depict the survey results. Please note that, in a few cases, respondents gave low numeric ratings, yet their written comments reflected very positive views of the training. We assumed these respondents mistook 1 to indicate high satisfaction and 7 low satisfaction, but we did not adjust their ratings when calculating survey results.

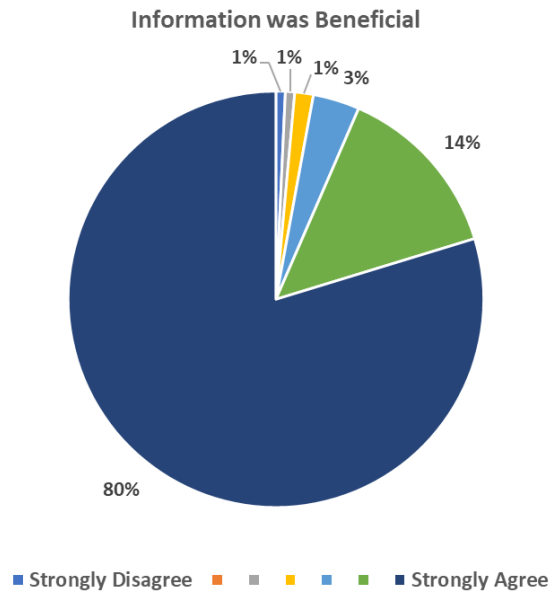
Overall, 93 percent of respondents were very satisfied or satisfied with the training.



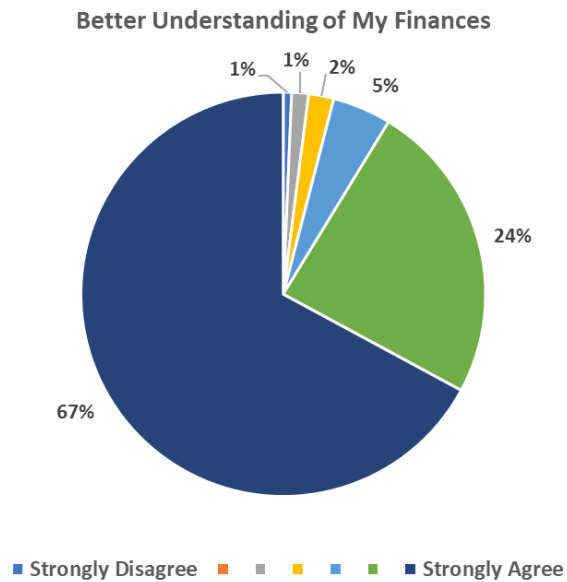
Of participants responding, 90 percent strongly agreed/agreed that the training was as described in publicity materials.



Importantly, 94 percent of attendees strongly agreed or agreed that the information presented in the training was beneficial to them.



When asked whether the training provided a better understanding of finances or homeownership goals, 91 percent strongly agreed or agreed.



What Participants Valued Most about the Training

Attendees' comments on what they valued most about the training reflected the importance of creating a "safe" learning environment and delivering information in a way that meets their needs and level of understanding. They valued that instructors were very knowledgeable, provided one-on-one attention, and created a positive atmosphere that encouraged participants to ask questions. Many appreciated the use of realistic, relatable scenarios to convey concepts. Those examples deepened understanding of financial management, leading respondents to feel more hopeful about achieving homeownership. Several attendees noted that they planned to take additional classes through the housing intermediary to build on what they learned.

Following are a few of the written comments, in the participants' own words.

- "I am a first-time homebuyer and this class was the light to a very dark tunnel."
- "It was very informative. It gave me hope that someday I may be a homeowner."
- "They made connections to our life on the reservation and problems we already come across."
- "Made me realize I have a lot of work to do on my personal finances."
- "Being able to talk to someone one-on-one about homeownership. Glad to have someone in our community, and local to help."

Participants' Suggestions for Improvement

Although many respondents confirmed that the training significantly met their needs, some offered thoughts on other topics they would like to have covered or additional information they would like to have received. Most centered around more in-depth information on the end-to-end homebuying process and building credit. They also wanted examples of real-life experiences that could help deepen

their understanding of the importance of finances, credit, and budgeting. Other requests included information on housekeeping and home maintenance as well as a list of recommended contractors. Although the course is not intended to cover these aspects of homeownership, the comments point to the basic need in tribal areas for information on homeownership and the responsibilities.

How Did We Apply What We Learned to Adjust Training Over Time?

We and our partners reviewed all survey responses to gauge the effectiveness of the training and consider whether improvements might be warranted. We also gained insights during regular conversations with partners. Because Freddie Mac does not own the curricula, we are not in a position to require or make changes to the curricula but can and do make recommendations for our partners to consider acting upon.

Based on Survey Results

In collaboration with our partners, we identified relevant and culturally appropriate ways to enhance the participant experience based on feedback given through the surveys. In response to requests for more information on credit building, we worked in partnership with Credit Builders Alliance to create a new module and then collaborated with NAIHC to add it to the Pathways Home curriculum. Also, HERO added a real-life example of the homebuying process. In addition, although the topics of housekeeping, home maintenance, and local contractors are outside the scope of these classes, to address participants' requests for this information, we suggested that our partners work with home maintenance stores in their areas to provide informational materials.

Based on Conversations with Partners

Our partners also adjusted the training based on our conversations and their observations. For example, we suggested that some of the marketing materials needed to be stronger to attract people to classes. We worked with our partners to improve the messaging, add details, and include more relevant imagery. These changes were well received by our partners and led to more registrations.

In addition, one of our partners began inviting households to attend together so that each member could gain a better understanding of what is involved in budgeting, saving for a down payment, and buying and owning a home. As a result of this approach, more individuals have stayed on track with their financial and homeownership goals.

Because of the Coronavirus Pandemic

The pandemic has severely curtailed our partners' ability to deliver training and people's ability to attend sessions. Many tribes have experienced higher-than-average infection rates and extended stay-at-home orders. Many of the people have limited access to technology and the remoteness of reservations also limits access to the internet. Moreover, many of our partners necessarily have made foreclosure-prevention activities their highest priority. Even so, our partners are finding creative ways to continue to deliver financial and homebuyer education, albeit to a more limited extent.

For example, one partner gathered a small group in a classroom setting with appropriate physical distancing and the instructor joining remotely. Other partners are connecting with participants by telephone one-on-one to continue their educational efforts. When partners are training trainers, they now discuss ways to provide content on-line through remote-access platforms for participants who have access to technology. They are also using on-line collaborative tools, chat, and survey tools to make the virtual classroom experience more supportive and holistic.

Our partners also have been emphasizing financial management and incorporating “trauma-informed care” during coaching sessions. With stay-at-home orders and high rates of illness, many people have lost employment and income. At the same time, spending more time at home has increased utility and food expenses. People are under greater financial, social, and emotional stress. These circumstances can cause people to backslide on their financial and homeownership goals. Our partners have adjusted their coaching to help participants stay on track toward their goals.

Having materials available on-line has gained importance, despite internet and technology access being limited in tribal areas. As a coincidence, we launched our redesigned and expanded [Native American Homeownership Preparedness](#) website about the same time that pandemic-related restrictions started to go into effect. We also posted the curricula that has been developed specifically for Indian Country to the site. One of our contacts at the Center for Indian Country Development of the Federal Reserve Bank of Minneapolis told us that they regularly download the [Tribal Leaders Handbook on Homeownership](#) and use it in conversations with leaders in tribal areas. We also feature other valuable resources on the site, such as [My Home by Freddie Mac](#)[®] – which offers a wide range of information and resources on renting, buying, and owning a home – and [CreditSmart Homebuyer U](#), Freddie Mac’s on-line financial management and homebuyer education curriculum.

Conclusions

Our efforts to expand access to homebuyer education for Native Americans in tribal areas have been successful, with participants expressing high satisfaction levels with the learning experience and resources. Applying what we and our partners have learned from participants’ feedback as well as through our conversations and experiences has contributed to that success.

Together with partners, who are established and trusted in tribal areas, we are making a difference in people’s lives – for today and for tomorrow. Through our collaboration, our partners have more capacity, capabilities, and resources to fulfill their missions and more households have access to education and counseling that resonates with them and enables them to prepare for responsible, sustainable homeownership. We also are preparing the next generation to develop sound financial habits through the “[Building Native Communities: Financial Empowerment for Teens & Young Adults](#)” curriculum. The skills and knowledge that participating high-school students gain through the curriculum will serve them well throughout their lives and potentially position them for future homeownership.